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SUBJECT: HOLY MOUNTAIN" MONASTERY REAL ESTATE SCANDAL TARNISHES IMAGE
OF CHURCH AND STATE

REF: A. ATHENS 1476, B. ATHENS 1302. C. ATHENS 1291, D. THESSALONIKI 0080

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¶1. (SBU) SUMMARY: The scandal involving land exchanges between Vatopedi Monastery and the Greek government (reftels) has led to the resignation of two high-profile ministers and shaken public confidence in the Greek Orthodox Church. The GoG and Vatopedi have tried to limit damage by proposing measures to reverse the transactions. On November 7, a northern Greek court invalidated the most controversial land swap, involving Lake Vistonida in Thrace, on the grounds that the lake and environs are protected public property. Vatopedi claims it has Byzantine era titles proving ownership of the lake property and is threatening to challenge the court's decision in the European Court of Justice.

The Church has sought to portray the scandal as isolated to Vatopedi but is concerned the fallout could affect other monasteries and patriarchates with similar ancient land holdings. Public criticism of the affair could claim other political victims and is likely to drag on for the foreseeable future. END SUMMARY.

DAMAGE CONTROL: MONASTERY, GOG TRY TO REVERSE LAND DEALS

¶2. (SBU) The GoG and Vatopedi Monastery of Mt. Athos are struggling to contain a major scandal (refs A-C) involving lucrative land exchanges that, according to some media, may have benefited GoG officials. According to media and post's contacts from Mt. Athos (the semi-autonomous northern Greek peninsula administered by Orthodox monasteries, including Vatopedi), in 2005-2007 Vatopedi traded some of its Byzantine-era land holdings for public land, mostly in northern Greece. The most controversial property traded by Vatopedi was some 7000 acres in the area of Lake Vistonida in Thrace. As reported in ref C, senior Prosecutor of the Supreme Court Giorgos Sanidas contends that in that trade, the GoG gave Vatopedi public land worth over Euro 100 million more than the Lake Vistonida property. Media speculate that Vatopedi planned to sell the public land and give some of the profits to GoG officials.

¶3. (SBU) Under heavy criticism from local residents and the media, Vatopedi offered on October 17 to reverse the land deal (return GoG land or proceeds in exchange for Lake Vistonida and other property claimed by Vatopedi). The GoG also took steps to cancel the transaction, including by revoking all ministerial decisions acknowledging ownership of Lake Vistonida by the monastery. In accordance with a Supreme Court prosecutor's September 15 order, the GoG took steps to freeze Vatopedi's land holdings and proceeds from land sales. In addition, two high-profile GoG ministers with alleged links to the scandal resigned (refs A and B), and Parliament began a fact-finding investigation into the affair on November 3.

GREEK COURT INVALIDATES DEAL, VATOPEDI MAY APPEAL TO HIGHER

AUTHORITY

¶4. (SBU) On November 7, a Rhodopi (northeastern Greece) first instance court ruled that Lake Vistonida and most of the 7000 acres of surrounding land claimed by Vatopedi is non-transferable public property (e.g. national park land). According to the court, Vatopedi possesses rights to only 430 acres of the 7,000 it claims. The decision in effect ignores Vatopedi's Byzantine era land titles to the lake property and invalidates the land exchange with the GoG. The court reached the same decision in 2003 but withheld it due to a last minute out of court settlement between the GoG and Vatopedi. The Supreme Court ruled on October 24 that the 2003 decision should have been issued. Vatopedi abbot Efrem has threatened to defend the monastery's ownership claims in the European Court of Justice if necessary. Vatopedi bases its claims to numerous properties in addition to Lake Vistonida on Byzantine and Ottoman era decrees. Media and opposition politicians have questioned the validity of these ancient documents, but the Rhodopi court and Supreme Court have yet to comment explicitly on the issue.

PATRIARCH: INVALIDATION OF BYZANTINE LAND TITLES WOULD BE "CATASTROPHIC"

¶5. (SBU) The Greek Orthodox Church has reacted to the scandal with a mixture of embarrassment and defensiveness. The council of Mt. Athos monasteries (the Holy Community) issued an announcement apologizing to the public for the affair, but refrained from direct criticism of Vatopedi or its abbot, Efrem. The Ecumenical Patriarch Bartholomew has tried to stay above the fray, noting publicly that he is "following developments closely." On the other hand, he has strongly defended the validity of ancient property titles such as those held by Vatopedi. In a November 5 speech, commenting on Byzantine and Ottoman era land titles, the Patriarch warned that "the slightest doubt about their validity could bring about catastrophic consequences for the whole nation and beyond." Mt.

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Athos contacts point out that Vatopedi's ancient ownership deeds are similar to the ones held by the Patriarchate in Istanbul and other patriarchates. Invalidation of such deeds could have a major impact on the Church's claims in Greece and beyond.

SCANDAL REVIVES DEBATE ON SEPARATION OF CHURCH AND STATE

¶6. (SBU) The scandal has re-invigorated public debate about the Orthodox Church's close relations with the Greek state, as well as its tax exempt status and other privileges. Leftist opposition party SYRIZA has publicly protested the Churches extensive land holdings, including in Mt. Athos, and proposed legislation abolishing the Church's tax exempt status. Parliament rejected the legislation on November 5. While Church leaders such as Thessaloniki Metropolitan Anthimos have fiercely rejected such proposals, other Church leaders have indicated willingness to discuss reforms in order to prevent a re-occurrence of the Vatopedi scandal. Commenting to journalists on the scandal, the Metropolitan of Alexandroupolis (northeastern Greece) called for the "consideration of separation of Church and State, if it will facilitate their relations". The Metropolitan of Xanthi, Thrace, told post that the interests of local residents affected by the land swaps should take precedence over Vatopedi real estate claims. In a November 7 interview he stated, "monasteries should not do any kind of business, except with God."

¶7. (SBU) Many Greek citizens were stunned by the reports of corruption at one of Mt. Athos's oldest and most well-respected monasteries. Mt. Athos's monastic community has existed for more than 1,000 years, and for many faithful the "Holy Mountain" is the Orthodox equivalent of Mecca. Mt. Athos's twenty monasteries house rare Byzantine treasures and attract large numbers of Greek and foreign visitors. England's Prince Charles is a regular visitor to Vatopedi.

18. (SBU) COMMENT: The extent of the scandal is still unknown. It is likely to remain an embarrassment to the government for some time and could claim more political victims as Vatopedi, the GoG, and the courts attempt to unwind the numerous illicit land deals and the parliamentary investigation gets underway. The scandal has tarnished the Church's image and strengthened the hand of those advocating greater separation of church and state, but it is unlikely to pose a threat to the Church's solid base of public support or its constitutionally protected position in Greek society.
YEE